

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6212**

**BILL NUMBER: HB 1041**

**DATE PREPARED:** Nov 19, 2000

**BILL AMENDED:**

**SUBJECT:** PILOTs for DNR land in certain counties.

**FISCAL ANALYST:** Bernadette Bartlett

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**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

<b>STATE IMPACT</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
<b>State Revenues</b>			
<b>State Expenditures</b>		<b>353,000</b>	<b>706,000</b>
<b>Net Increase (Decrease)</b>		<b>(353,000)</b>	<b>(706,000)</b>

<b>LOCAL IMPACT</b>	<b>CY 2001</b>	<b>CY 2002</b>	<b>CY 2003</b>
<b>Local Revenues</b>		<b>706,000</b>	<b>706,000</b>
<b>Local Expenditures</b>			
<b>Net Increase (Decrease)</b>		<b>706,000</b>	<b>706,000</b>

**Summary of Legislation:** This bill requires the Department of Natural Resources (DNR) to make a semiannual payment in lieu of property taxes (PILOT) for land owned or leased by the Department in counties where at least 20% of the county's total acreage is owned by the state of Indiana or the United States. For purposes of calculating a PILOT, the land is considered to have an assessed value (AV) of \$165 per acre. The bill makes an annual and continuing appropriation for a PILOT from the State General Fund.

**Effective Date:** March 1, 2001 (retroactive); July 1, 2001.

**Explanation of State Expenditures:** Brown, Monroe, and Perry Counties have acreage of state and federally owned land that exceeds 20% of the total acreage in the county. The DNR would be required to make PILOTs to these counties under the proposal. The acreage, estimated PILOT AV, CY 1999 county

average net tax rates, and estimated PILOTs are presented in the table below. The actual amount will vary depending on the tax rate of the taxing districts in which the DNR land is located.

County	Total Acres	% Owned by State or Federal Government	DNR Acres	AV @ \$165 per Acre	Average Net Tax Rate	Estimated PILOT
Brown	199,872	32.7%	40,871	6,743,715	\$5.8289	\$393,000
Monroe	252,416	21.5%	19,603	3,234,495	\$8.1488	\$263,500
Perry	244,096	25.6%	3,942	650,430	\$7.5825	\$49,500
Total						\$706,000

The state would be required to make these payments in two installments, due on May 1 and November 1, beginning in CY 2002. The bill makes a continuous appropriation from the PILOT Transfer Fund for these payments. In addition, the bill makes an annual appropriation from the State General Fund to the PILOT Transfer Fund in the amount needed for the payments.

The State Board of Tax Commissioners, with the cooperation of the Auditor of State, is required to prescribe the necessary report forms under the proposal. Expenses of administering the fund are to be paid from money in the fund. Money in the fund at the end of the fiscal year does not revert to the State General Fund.

**Explanation of State Revenues:** The State Treasurer is to invest money in the PILOT Transfer Fund not needed to meet the obligations of the fund in the same manner as other public money may be invested.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Beginning in CY 2002, local governmental units and school corporations in Brown, Monroe, and Perry counties would receive payments in lieu of taxes from the state under this proposal. The estimated amounts to be received are listed in the above table. This money is in addition to all other revenues currently received and would have no effect on local property tax rates or collections unless a unit chooses to reduce its property tax levy.

**State Agencies Affected:** State Tax Board and the Auditor of State.

**Local Agencies Affected:** Local governmental units and school corporations in Brown, Monroe, and Perry Counties.

**Information Sources:** Jim Lewis, State Land Office, 232-3335; Statistical Abstract of the United States, U.S. Dept. of Commerce, Bureau of the Census; Report of Federal Payment in Lieu of Taxes, U.S. Bureau of Land Management; Local Government Database.